

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 1

[1] Case Name: FIELDWOOD ENERGY LLC, et al.

Case Number: 20-33948

Month: October 2020

Petition Date: August 3 and August 4, 2020

in \$ thousands

MONTHLY OPERATING REPORT SUMMARY FOR OCTOBER 2020

Month	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
REVENUES (MOR-6)	\$ 36,633	\$ 41,577	\$ 24,699			
INCOME BEFORE INT, DEPREC./TAX (MOR-6)	(6,701)	(1,294)	(22,026)			
NET INCOME (LOSS) (MOR-6)	(39,032)	(1,539,253)	(6,778)			
PAYMENTS TO INSIDERS (MOR-9)	154	330	294			
PAYMENTS TO PROFESSIONALS (MOR-9)	180	1,798	2,841			
TOTAL DISBURSEMENTS (MOR-8)	\$ 25,562	\$ 35,699	\$ 68,954			

[2]

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE		
Type of Insurance	Check Yes/No	Exp. Date
Named Windstorm and Operational Risk	Yes (X) No ()	5/31/2021
Workers Compensation	Yes (X) No ()	6/30/2021
Automobile Liability	Yes (X) No ()	6/30/2021
Non-Owned Aircraft Liability	Yes (X) No ()	6/30/2021
General Liability	Yes (X) No ()	6/30/2021
Umbrella and Excess Liability	Yes (X) No ()	6/30/2021
Oil Spill Financial Liability	Yes (X) No ()	6/30/2021
Commercial Crime Insurance	Yes (X) No ()	1/1/2021
Directors and Officers Liability (D&O)	Yes (X) No ()	6/30/2021
Kidnap and Ransom Insurance	Yes (X) No ()	12/17/2021
Cyber Risk	Yes (X) No ()	5/31/2021
Office Contents and Equipment	Yes (X) No ()	9/30/2021
ATTORNEY NAME:	Alfredo Perez	
FIRM:	Weil, Gotshal & Manges LLP	
ADDRESS:	700 Louisiana Street	
ADDRESS:	Suite 1700	
CITY, STATE ZIP:	Houston, TX 77002-2755	
TELEPHONE:	(713) 546 - 5040	

Are all accounts receivable being collected within terms? [3]

Are all post-petition liabilities, including taxes, being paid within terms?

Have any prepetition liabilities been paid?

If so, describe: Payments made in accordance with First Day Orders

Are all funds received being deposited into DIP bank accounts?

Were any assets disposed of outside the normal course of business?

If so, describe:

Are all U. S. Trustee Quarterly Fee Payments current?

What is the status of your Plan of Reorganization ?

Plan discussions ongoing between the Company and various constituents

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

Signed:

(Original Signature)

Title:

Chief Financial Officer

Circle One

Yes

No

Yes

No

Yes

No

Yes

No

Yes

No

Yes

No

Notes:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

[2] This figure represents income from operations plus depreciation, depletion and amortization

[3] The Company has commenced collection efforts for approximately \$21.4 million of past due joint operating agreement related receivables

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

[1] Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

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Month: October 2020

MONTHLY OPERATING REPORT NOTES FOR OCTOBER 2020

INTRODUCTION:

This monthly operating report ("MOR") is unaudited and does not purport to represent financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), and it is not intended to fully reconcile to the consolidated financial statements prepared by the Debtors. Information contained in this MOR has been derived from the Debtors' books and records, but does not reflect in all circumstances presentation for GAAP or SEC reporting purposes. Therefore, in order to comply with their obligations to provide MORs during these chapter 11 cases, the Debtors have prepared this MOR using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. Accordingly, this MOR is true and accurate to the best of the Debtors' knowledge, information, and belief, based on currently-available data. The results of operations and financial position contained herein are not necessarily indicative of results that may be expected for any period other than full calendar month-ending October 31, 2020, or for the full year, and may not necessarily reflect the Debtors' future consolidated results of operations and financial position.

RESERVATION OF RIGHTS:

This MOR is limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Debtors' chapter 11 cases. The unaudited financial statements have been derived from the Debtors' books and records. The information presented herein has not been subject to all procedures that typically would be applied to financial information presented in accordance with GAAP. Upon the application of such procedures, the Debtors believe that the financial information could be subject to material change. The information furnished in this MOR includes normal recurring adjustments, but does not include all of the adjustments that typically would be made for interim financial statements presented in accordance with GAAP.

GLOBAL NOTES:

Given the complexity of the Debtors' business, inadvertent errors or omissions may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or executory nature of any claim amount, agreement, representation, or other statement set forth in this MOR. Further, the Debtors reserve the right to amend or supplement this MOR, if necessary, but shall be under no obligation to do so.

NOTES TO MOR 2 - 3:

Liabilities Subject to Compromise ("LSTC"): LSTC represent the Debtors' estimate of pre-petition claims to be resolved in connection with the chapter 11 cases. As a result of the chapter 11 filings, the payment of pre-petition liabilities are subject to compromise or other treatment under a plan of reorganization. The determination of how such liabilities will ultimately be settled or treated cannot be made until the Bankruptcy Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. Prepetition liabilities that are subject to compromise under ASC 852 are preliminary and may be subject to, among other things, future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

Values in the consolidated balance sheet represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

NOTES TO MOR-5:

The accounts payable and accounts receivable agings are presented on a consolidated basis for the Debtors.

NOTES TO MOR-6:

The income statement is presented on a consolidated basis for the Debtors. The information provided in the income statements reflect activity for the full calendar month-ending October 31, 2020.

Values in the consolidated income statement represent rounded numbers. Accordingly, subtotals may not agree to the summation of the rounded numbers presented.

NOTES TO MOR-8:

Although payment of prepetition claims is generally not permitted, the Bankruptcy Court has authorized the Debtors to pay certain prepetition claims in designated categories. This relief generally was designed to preserve the value of the Debtors' business and assets. The Debtors have paid and continue to pay undisputed postpetition obligations in the ordinary course of business.

NOTES TO MOR-9:

The list of insiders is consistent with public disclosures and other filings associated with the Debtors' chapter 11 cases. The listing of any party as an "insider" is neither intended to be nor should be construed as a legal characterization of such party as an "insider," as such term is defined in section 101(31) of the Bankruptcy Code, and it does not act as an admission or waiver of any fact, right, claim, or defense, and all such rights, claims, and defenses are hereby expressly reserved.

Notes:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422).

MOR - 2

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

CONSOLIDATED BALANCE SHEET
Ending Balance at October 31, 2020

*in \$ thousands***Current assets:**

Cash and cash equivalents	\$ 170,462
Accounts receivable-operating revenues	29,586
Accounts receivable - derivatives	760
Accounts receivable-jib [1]	28,947
Accounts receivable - other [2]	7,090
Inventory	36,049
Derivative assets - current	7,689
Prepays	11,904
Other current assets	29,262
Total current assets	\$ 321,749

Other assets:

Property, plant and equipment	\$ 4,322,646
Accumulated depreciation, depletion, amortization, and impairment	(3,278,593)
Financing costs	6,445
Restricted cash [3]	253,916
Long-term contractual receivable	53,226
Other assets	70,845
Total noncurrent assets	\$ 1,428,485

Total assets	\$ 1,750,234
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Notes:

[1] AR balance includes certain clearing accounts and is shown net of allowance for doubtful accounts

[2] Other accounts receivable includes operating expenses incurred by Fieldwood Energy LLC that have not yet been charged to expense or capital or billed to working interest parties

[3] Includes long-term deposits the Company has made with primarily pipeline companies as a requirement of conducting business with these companies

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 3

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020Case Number: 20-33948Month: October 2020

CONSOLIDATED BALANCE SHEET
Ending Balance at October 31, 2020

*in \$ thousands***Current liabilities:**

Trade accounts payable	\$ 24,573
Trade accounts payable clearing [1]	5,459
Accounts payable	30,032
Accrued liabilities	109,847
Accrued interest	31
Derivative liabilities - current	584
Current portion of asset retirement obligations	44,082
DIP financing	10,000
Other current liabilities	1,950
Total current liabilities	\$ 196,526

Other liabilities:

Asset retirement obligations	\$ 1,173,417
Deferred income taxes [2]	53,934
Other long-term obligations	7,047
Liabilities subject to compromise	2,069,171
Total liabilities	\$ 3,500,096

Members' capital:

Contributions	\$ 743,366
Earnings	(2,550,285)
Other members' capital	(84)
Noncash stock compensation	57,141
Total members' equity	(1,749,862)

Total liabilities and members' equity	\$ 1,750,234
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Notes:

[1] Temporary clearing account for transactions that are to be transferred to another account. This account does not reflect true accounts payable liabilities.

[2] Deferred income tax is net of a valuation allowance of \$614.3 million

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 4

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

SCHEDULE OF POST-PETITION LIABILITIES

in \$ thousands

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
TRADE ACCOUNTS PAYABLE	\$ 1,253	\$ 10,845	\$ 24,573			
TAXES PAYABLE: [1]						
Severance tax payable	22	48	48			
State income tax payable	213	213	213			
Other taxes payable	133	150	167			
SECURED DEBT POST-PETITION	10,000	10,000	10,000			
OTHER ACCRUED LIABILITIES:						
Accrued interest	29	26	31			
Accrued transportation	2,031	2,058	2,009			
Accrued LOE liability	22,709	40,697	44,622			
Accrued R&M	4,515	7,738	10,722			
Accrued P&A	3,299	7,206	14,433			
Accrued Workover	148	131	161			
Accrued capex liability	1,222	2,029	2,589			
Accrued bonus payroll	1,760	2,309	2,859			
Accrued payroll, benefits, and G&A	6,162	5,282	4,506			
Operating lease liability	-	8,031	7,896			
Owner advances payable	-	45	928			
Accrued royalties	-	4,490	6,095			
OTHER LIABILITIES [2]	1,891	1,425	1,420			
TOTAL POST-PETITION LIABILITIES [3]	\$ 55,387	\$ 102,723	\$ 133,273			

Notes:

[1] Excludes deferred income tax of \$53.9 million. Deferred income tax is net of a valuation allowance of \$614.3 million

[2] Includes unearned revenue, oil/gas imbalances, and other AP clearing account balances

[3] Excludes amounts in asset retirement obligations and trade accounts payable clearing accounts that accrued prepetition or are liabilities not subject to compromise

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 5

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

AGING OF POST-PETITION LIABILITIES [1]

in \$ thousands

	DAYS	TOTAL	TRADE ACCTS	SEVERANCE TAX	STATE INCOME TAX	OTHER TAXES
	0-30	\$ 24,431	\$ 24,003	48	213	167
[2]	31-60	555	555			
[3]	61-90	3	3			
[4]	91+	12	12			
	Total	\$ 25,001	\$ 24,573	\$ 48	\$ 213	\$ 167

AGING OF ACCOUNTS RECEIVABLE [5]

in \$ thousands

Month	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
0-30	\$ 12,219	\$ 8,018	\$ 6,846			
31-60	5,821	4,896	5,249			
61-90	4,134	3,265	3,154			
91+	9,463	10,169	12,983			
Total	\$ 31,638	\$ 26,347	\$ 28,232			

Notes:

[1] Excludes the Trade Accounts Payable Clearing Account

[2] Primarily related to an annual software renewal for \$267K currently in negotiation and \$257K of gathering and transport invoices not yet reconciled. Aging date is based on invoice receipt date

[3] Primarily related to a gathering and transport invoice not yet reconciled

[4] The Company is in the process of evaluating this invoice related to an annual renewal for 8/31/2020 - 8/31/2021. Aging date is based on invoice receipt date.

[5] Excludes operating revenues receivable and other accounts receivable. The operating revenues receivable account reflects 2 months of estimated accrued receivables for the Company's operating and non-operating interests. Other accounts receivable primarily includes operating expenses incurred by the Company that have not yet been charged to expense or capital, or billed to working interest parties.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 6

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

CONSOLIDATED INCOME STATEMENT
For the period of October 1, 2020 through October 31, 2020

*in \$ thousands***Oil and gas revenues:**

Oil revenues	\$ 18,341
Gas revenues	2,256
Liquids revenues	588
Other revenues	3,514
Total revenues	\$ 24,699

Costs and expenses:

Lease operating expense	\$ 23,294
Repairs and maintenance	3,140
Severance Tax	23
Transportation expense	1,575
Workover expense	65
Depreciation, depletion and amortization	8,861
Accretion expense	7,935
Other operating	363
Insurance expense	3,053
Restructuring charges	4,238
General and administrative expense	3,039
Total costs and expenses	\$ 55,586

Income from operations**\$ (30,887)****Other income (expense):**

Interest income	\$ 408
Interest expense	(2,956)
Derivative settlements - oil	761
Commodity derivative income (expense) - unrealized	6,391
Reorganization items	19,522
Other	-

Net income **\$ (6,761)**Income tax (expense) benefit **(17)****Net income \$ (6,778)**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 7

Case Name: FIELDWOOD ENERGY LLC, et al.

Petition Date: August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

CONSOLIDATED CASH RECEIPTS AND DISBURSEMENTS
For the Period Ending October 31, 2020

*in \$ thousands***Operating Receipts:**

Receipts	\$ 35,142
Total Operating Receipts	35,142

Operating Disbursements:

Payroll	8,002
Benefits	1,370
Independent Director / BOD Fees	62
Interest Owner	1,701
JIB Non-Operating	2,370
Capex	13,822
LOE	31,558
Transportation	2,901
Taxes	72
Insurance/Surety	137
G&A	1,263
Other	5
Total Operating Disbursements	\$ 63,263

Operating Cash Flow**\$ (28,121)**

Interest & Fees	751
Hedging	-
Restructuring Professional Fees	2,841
Interest Earned	1
Cash Call	2,117
Total Disbursements [1]	\$ 68,972

Net Cash Flow**\$ (33,831)****Beginning Book Cash Balance****\$ 458,186**

Net Cash Flow Operating Account

(33,831)

Plus: Voided Checks

23

Ending Book Cash Balance**\$ 424,378****Notes:**

[1] Includes voided checks

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Division

MOR - 7a

Case Name: FIELDWOOD ENERGY LLC, et al.August 3 and August 4, 2020Case Number: 20-33948Month: October 2020

CASH DISBURSEMENTS BY ENTITY

in \$ actuals

Debtor Entity	Case Number	Oct-20
Fieldwood Energy LLC	20-33948	\$ 68,954,155
Dynamic Offshore Resources NS, LLC	20-33947	-
Fieldwood Energy Inc.	20-33949	-
Fieldwood Energy Offshore LLC	20-33950	-
Fieldwood Onshore LLC	20-33951	-
Fieldwood SD Offshore LLC	20-33952	-
Fieldwood Offshore LLC	20-33961	-
FW GOM Pipeline, Inc.	20-33953	-
GOM Shelf LLC	20-33954	-
Bandon Oil and Gas GP, LLC	20-33955	-
Bandon Oil and Gas, LP	20-33956	-
Fieldwood Energy SP LLC	20-33958	-
Galveston Bay Pipeline LLC	20-33959	-
Galveston Bay Processing LLC	20-33960	-
Total		\$ 68,954,155

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 8

Case Name: FIELDWOOD ENERGY LLC, et al.

August 3 and August 4, 2020

Case Number: 20-33948

Month: October 2020

CASH ACCOUNT RECONCILIATION

In \$ thousands

Account Type	Operating	Revenue	FSA	Bankruptcy- Related Utilities	Restricted Cash Trust "A"	Escrow Account – Fieldwood Energy LLC	Escrow Account – Fieldwood Energy LLC	FINCO Collections Account	Deposits - Long Term [1]	Total
Bank Name	Capital One	Capital One	Capital One	Capital One	Wilmington Trust	US Bank	J.P. Morgan	Deutsche Bank	N/A	
Account Number	x2209	x4666	x2306	x0534	x5000	x6000	x5624	x2558	N/A	
Bank Balance	\$ 37,787	\$ 132,868	\$ -	\$ 342	\$ 238,466	\$ 787	\$ 8,249	\$ -	\$ 6,414	\$ 424,913
Plus: Deposits in Transit	1	-	-	-	-	-	-	-	-	1
Less: Outstanding Checks	(361)	(167)	(9)	-	-	-	-	-	-	(537)
Book Balance	\$ 37,427	\$ 132,702	\$ (9)	\$ 342	\$ 238,466	\$ 787	\$ 8,249	\$ -	\$ 6,414	\$ 424,378
Beginning Cash Balance (Per Books)	\$ 48,056	\$ 155,880	\$ (9)	\$ 342	\$ 238,467	\$ 786	\$ 8,249	\$ -	\$ 6,414	\$ 458,186
Plus: Receipts	6,722	28,420	-	-	3	1	0	-	-	35,146
Transfers Between Accounts	(12)	-	12	-	-	-	-	-	-	-
Less: Disbursements	(17,338)	(51,598)	(12)	-	(5)	-	-	-	-	(68,954)
Ending Cash (Per Books)	\$ 37,427	\$ 132,702	\$ (9)	\$ 342	\$ 238,466	\$ 787	\$ 8,249	\$ -	\$ 6,414	\$ 424,378

Notes:

[1] Reflects long-term deposits the Company has made with primarily pipeline companies as a requirement of conducting business with these companies

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

MOR - 9

Case Name: FIELDWOOD ENERGY LLC, et al.

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Month: October 2020

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U. S. Bankruptcy Code) and the professionals.
Also, for insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary.)

in \$ thousands

INSIDERS	Type	8/4/20 - 8/31/20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Employee 1	Salary	\$ 31	\$ 31	\$ 47			
Employee 2	Salary	28	28	42			
Employee 3	Salary	23	23	34			
Employee 4	Salary	26	26	36			
Employee 5	Salary	23	23	39			
Employee 6	Salary	24	24	34			
Director 1	BOD Fees	-	126	62			
Director 2	BOD Fees	-	25	-			
Director 3	BOD Fees	-	25	-			
TOTAL INSIDERS (MOR-1)		\$ 154	\$ 330	\$ 294			

in \$ thousands

PROFESSIONAL		8/4/20 - 8/31/20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Davis Polk & Wardwell LLP		\$ -	\$ 987	\$ 382			
Haynes And Boone, LLP		-	347	-			
Hunton Andrews Kurth LLP		-	-	634			
Looper Goodwine P.C.		-	-	88			
Opportune LLP		180	73	-			
Prime Clerk		-	-	242			
Rothschild & Co Us Inc		-	175	175			
Shipman & Goodwin LLP		-	-	42			
Vinson & Elkins LLP		-	215	93			
Weil, Gotshal & Manges LLP		-	-	1,186			
TOTAL PROFESSIONALS (MOR-1)		\$ 180	\$ 1,798	\$ 2,841			